

Approved For Release 2000/08/27 : CIA-RDP75B00380R000600140004-1

H. R. 9281

Annuity increase for law enforcement and firefighting personnel under Section 8336(c) of Civil Service Commission Act

Provisions:

- a. increases computation formula to 2 1/2% for each of the first 20 years of such service and 2% thereafter. (Presently: computed at 2% not to exceed 40 years.)
- b. provides mandatory retirement at age 55 (or older age until 20 years service rendered) unless the agency exempts the employee - no extension over 60 (Presently: mandatory retirement at 70).
- c. increases employee deduction to 7 1/2% (Presently: 7%).
- d. includes premium pay for law enforcement officers in computing base pay. Presently, only the premium pay for persons who have to remain at their station, such as firefighters, can be added to base pay for retirement.

Administration Position:

Though the Administration concurs in the proposal to subject law enforcement officers to a mandatory retirement at age 55, it is opposed to H. R. 9281 for the following reasons:

- a. The computation formula is excessively generous. (CSC recommends a guaranteed basic annuity of 50% as a more appropriate incentive for early retirement.)
- b. It opposes the concept of increasing employee deductions as it considers early retirement programs management tools and increased costs should not be borne by employees.
- c. It would apply the concept of minimum and maximum age limits uniformly throughout government rather than meeting the specific needs of each agency. The premium pay provision is considered inequitable as not all law enforcement officers are paid under this provision. Further, the section of the CSC retirement law providing premium pay for law enforcement officers is not limited to such officers only.

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Status:

Passed the House, 20 September 1973.

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b. It opposes the concept of increasing employee deductions as it considers early retirement programs management tools and increased costs should not be born by employees.

c. It would apply the concept of minimum and maximum age limits to be applied uniformly throughout government, rather than meeting the specific needs of each agency. The premium pay provision is considered enactable as not all law enforcement officers are paid under this provision. Further, the section of the CSC retirement law providing premium pay for law enforcement officers is not limited to such officers only.

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Applicability to CIA Retirement Act:

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The present computation formula of 2% in the CIA Retirement system is ~~in~~ in phase with the formula for law enforcement officers and the Foreign Service, except the maximum under CIA and the foreign service is 35 years or 70%, rather than 80% under CSC. To adopt ~~a~~ ^{the} liberalized computation formula in H.R. 9281, one must carefully consider the reasons for the proposal. It is contended that law enforcement must be a "young man's service" in order to improve the quality, efficiency, and productivity of police work. The hasardness ^{regardless} aspects of the positions are related specifically to the position rather than the ~~concerns~~ of the individual employee. The committee notes that though the law enforcement retirement program was to be an incentive for early retirement to assure a young service, many stay until the mandatory retirement age of 70. The committee considers the maximum mandatory retirement age of 55 as the most effective way to assure a young man's service and the added benefits would make it more economical and practical for these employees to retire ~~before~~ before the attainment of age 55.

The proposed CIARDS is not to achieve a "young man's service". The mandatory retirement age is 60, though the Director in his discretion may retire a participant at age 50 with 20 years of service and any participant with 25 years. Participants in CIARDS ^{are} designated upon a ^{life or health} termination that they support ^{that} Agency activities abroad ^{regardless} hasardness to life or health or their duties are so specialized because of security requirements as to be clearly distinguishable from normal ^{Government} employment. Accordingly, the rationale for increasing retirement benefits for law enforcement officers to achieve a younger service does not apply to CIARDS. If consideration is given to adopting the liberalized formula in the CIARDS system, the mandatory retirement age should be dropped from age 60 to age 55. However, the rationale behind the CIARDS program does not support the lowering of the mandatory retirement age.

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There is a strong possibility of a veto of H.R. 9281 ^{H.R. 9281} if it passes the Congress. If it ~~is~~ ^{is} however, signed into law, its provisions are not related to CIARDS except perhaps the provision to include premium pay in computing base pay. A review by ^{personnel} would be necessary to determine which if any positions should be so covered.